

Message Text

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ACTION EUR-10

INFO OCT-01 ADP-00 SS-15 SSO-00 L-02 INRE-00 PRS-01 PM-03

INR-10 MBFR-02 SAI-01 RSC-01 RSR-01 /047 W

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FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC IMMEDIATE 3528

S E C R E T SECTION 1 OF 2 REYKJAVIK 0372

STADIS - LIMDIS

C O R R E C T E D C O P Y / T E X T

PASS ALSO TO SCOTT GEORGE (EURNE)

E. O. 11652: GDS

TAGS: MARR IC

SUBJECT: ICELAND DEFENSE FORCE (IDF) RETENTION ISSUE

1. SUMMARY: GOI INTENDS TO TRIGGER ADVANCE SIX MONTH NOTIFICATION PROVISION OF ARTICLE VII OF 1951 DEFENSE AGREEMENT WITHIN NEXT TWO WEEKS. FONMIN CLAIMS GOI MUST DO THIS FOR DOMESTIC POLITICAL PURPOSES BUT ALSO CLAIMS THIS ACTION WILL HAVE BENEFICIAL SIDE EFFECT IN MBFR TALKS. GOI'S PLAN IS TO TRIGGER THE SIX MONTH NOTICE PERIOD BUT STALL ON INITIATING THE SUBSEQUENT TWELVE MONTH NOTICE PERIOD. FONMIN FAILS TO SEE DANGER OF THIS TACTIC. PERSONAL INTERVENTION ON PART OF SECSTATE RECOMMENDED. END SUMMARY.

2. DURING ANNUAL DIPLOMATIC DINNER FONMIN GAVE LAST NIGHT FOR CHIEFS OF MISSIONS, FONMIN AGUSTSSON APPROACHED ME AND CASUALLY REMARKED THAT HE AND I WILL BE BUSY THE NEXT SIX MONTHS RENEGOTIATING THE 1951 DEFENSE AGREEMENT. WHEN I EXPRESSED SURPRISE THE FONMIN SAID HE MUST CARRY OUT HIS ORIGINAL INTENTION TO TRIGGER THE SIX MONTH PROVISION OF ARTICLE VII BUT USG SHOULD NOT WORRY BECAUSE PARLIAMENT WOULD NOT CONSENT TO WITHDRAWAL OF IDF. CONSEQUENTLY THE SUBSEQUENT TWELVE MONTH NOTIFICATION PERIOD WOULD NOT BE INVOKED AND A MUTUALLY

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SATISFACTORY REVISION OF THE AGREEMENT WOULD BE NEGOTIATED IN THE MEANTIME. HE ADDED THAT IDF'S ASSISANCE IN WESTMANN ISLAND DISASTER HAS WON US PUBLIC SUPPORT AS WELL. WHEN I CONTINUED TO EXPRESS SCHOCK OVER THIS TACTIC, THE FONMIN CLAIMED HE HAD AN UNDERSTANDING WITH MY PREDECESSOR THAT SHOULD IT BE NECESSARY TO TAKE THE APPROACH DESCRIBED ABOVE THE ATTITUDE OF THE USG WOULD BE ONE OF " UNDERSTANDING AND APPROVAL". FONMIN ALSO CLAIMED THAT HE RECEIVED SUCH ASSURANCE FROM SECSTATE. WHEN I REMARKED THAT I ATTENDED ALL TALKS DURING HIS JANUARY WASHINGTON VISIT AND COULD REMEMBER NO SUCH DISCUSSION WITH SECSTATE OR ANYONE ELSE IN WASHINGTON ON THIS APPROACH FONMIN REPLIED ALL OF THIS HAPPENED BEFORE MY ARRIVAL AS AMBASSADOR LAST FALL. I THEN REPLIED THAT HE AND I HAVE HAD SEVERAL DISCUSSIONS ON IDF ISSUE SINCE MY ARRIVAL AND AT NO TIME DID HE GIVE ME, ADMIRAL BELING OR ANYONE IN THIS EMBASSY ANY IMPRESSION OTHER THAN HE WANTED TO STALL TRIGGERING THE SIX MONTH NOTIFICATION PERIOD. I REMINDED HIM OF THE MANY OCCASIONS WHEN IN FACT HE AND THE PRIME MINISTER MADE STATEMENTS TO US THAT THEY INTENDED TO STALL PRESENTING THE IDF ISSUE TO PARLIAMENT. I ALSO REMINDED HIM THAT HE DIRECTED US NOT TO PROVIDE OFFICAWLY ANY STUDIES OR REPORTS TO HIM WHICH MIGHT FORCE HIM INTO ACTING ON THE IDF ISSUE. AGUSTSSON ADMITTED ALL THIS BUT REMARKED HE WOULD HAVE TO SUBMIT SOME SORT OF REVISION OF THE AGREEMENT TO PARLIAMENT. HE KEPT REPEATING HE SAW NO REASON FOR CONCERN ON MY PART, THAT THE SITUATION TODAY IS NOT SIGNIFICANTLY DIFFERENT FROM A YEAR AGO WHEN HE RECEIVED " SYMPATHETIC UNDERSTANDING" FROM USG. I REPLIED THAT THERE IS NO QUARREL WITH HIS REQUIREMENT TO SUBMIT SOMETHING TO PARLIAMENT BUT, WITH HIS APPROVAL, I HAD DISCUSSIONS WITH HIS LEGAL ADVISOR, HANS ANDERSEN, ABOUT A NEW MEMORANDUM OF UNDERSTANDING THAT COULD BE ACCOMMODATED WITHIN THE WORDING OF THE EXISTING AGREEMENT, AND THAT THIS MEMORANDUM WOULD BE SUBMITTED FOR PARLIAMENTARY APPROVAL RATHER THAN A NEW DEFENSE AGREEMENT WITHOUT THE NEED TO TRIGGER ARTICLE VII. I ALSO REMINDED HIM THAT IT WAS HIS PERSONAL WISH THAT REVISIONS OF IDF ARRANGEMENTS BE AGREED UPON BY BOTH OUR GOVERNMENTS BEFORE ANY ACTION WAS TAKEN BY GOI REGARDING THE IDF ISSUE AND REITERATED THAT WE WERE WAITING FOR HIM TO GIVE US THE WORD.

3. I REMARKED FURTHER THAT THIS SUDDEN CHANGE PUTS NOT ONLY THE USG IN A TOUGH SPOT BUT ALSO JEOPARDIZES THE DELICATE NEGOTIATIONS NOW UNDERWAY IN MBFR AND WEAKENS NATO'S POSTURE

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IN THESE NEGOTIATIONS. FONMIN REMARKED THAT HE RECOGNIZES

THE DOMESTIC POLITICAL PROBLEM HE IS CAUSING THE USG BUT HE IS FACING A SERIOUS POLITICAL PROBLEM IN HIS OWN COUNTRY AND HE HAS TO LOOK TO HIS OWN INTERESTS FIRST. (COMMENT. THIS IS REFERENCE TO THE SHAKINESS OF PRESENT COALITION GOVT AND THE THREATENED BREAKUP OF HIS OWN PROGRESSIVE PARTY WHERE THE YOUNG PROGRESSIVE WING OF PARTY IS THREATENING TO SEEK ASSOCIATION WITH OTHER PARTIES. THIS IS THE ANTI- IDF WING OF HIS PARTY.)

4. FONMIN THEN MADE THE ASTOUNDING STATEMENT THAT BY TRIGGERING ARTICLE VII IT WOULD FORCE THE SOVIETS TO NEGOTIATE SERIOUSLY AT MBFR AND PUT THEM ON NOTICE THAT THEY WILL HAVE TO WITHDRAW THEIR TROOPS FROM CZECHOSLOVAKIA. HE THEN POINTED TO THE SOVIET AMBASSADOR ACROSS THE ROOM AND SAID THAT HE DOES NOT WANT IDF TO LEAVE ICELAND BECAUSE OF THIS. I THEN TOLD FONMIN OF MY CONVERSATION WITH ROMANIAN AMBASSADOR EARLIER THIS WEEK (REYKJAVIK 0367) AND ASKED WHETHER HE DID NOT THINK IT SIGNIFICANT THAT EVEN A COMMUNIST COUNTRY THOUGHT WE WOULD WEAKEN OUR BARGAINING POSITION AT MBFR IF THE ALLIANCE REDUCED ITS FORCES UNILATERALLY. THIS SEEMED TO HAVE SOME IMPACT ON HIM.

5. AFTER LONG DISCUSSION ON WHETHER TRIGGERING THE SIX MONTH PROVISION WOULD BE BENEFICIAL OR HARMFUL TO NATO' S POSTURE AT MBFR FONMIN AGREED TO RECONSIDER AND TALK TO ME FURTHER TUESDAY MORNING APRIL 10. I TOLD HIM THAT I WOULD REPORT THIS CONVERSATION TO WASHINGTON TODAY. HE REPLIED HE WOULD BE INTERESTED IN SEC STATE' S REACTION.

6. FONMIN ALSO LAST NIGHT ASKED IF I HAD RECEIVED FROM WASHINGTON THE RATIONALE PAPER (STUDY ENTITLED " RATIONALE FOR THE SECURITY OF ICELAND ".) I REPLIED IT HAD JUST BEEN RECEIVED AND I AM PREPARED TO SHOW IT TO HIM. HE SUGGESTED TUESDAY. I SAID IT CONTAINED POINTS WHICH COULD MAKE HIM WANT TO THINK TWICE BEFORE EMBARKING ON HIS COURSE OF ACTION WHICH I STILL FELT WOULD BE DANGEROUS BEYOND US- ICELANDIC BILATERAL INTERESTS. IRVING

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ACTION EUR-10

INFO OCT-01 ADP-00 SS-15 SSO-00 L-02 INRE-00 PRS-01 PM-03

INR-10 MBFR-02 SAJ-01 RSC-01 RSR-01 /047 W

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FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC IMMEDIATE 3529

S E C R E T SECTION 2 OF 2 REYKJAVIK 0372

STADIS- LIMDIS

7. COMMENT: IN ORDER TO ASCERTAIN WHAT DISCUSSIONS MIGHT HAVE TRANSPIRED IN ICELAND A YEAR AGO ON THIS SUBJECT I RELAYED THIS CONVERSATION TO ADMIRAL BELING THIS MORNING. HE EXPRESSED ASTONISHMENT AT FONMIN'S STATEMENTS AND SAID AT NO TIME COULD HE REMEMBER ANY SUCH APPROACH BEING DISCUSSED WITH MY PRE-DECESSORY. HE ALSO STATED THAT IN ALL DISCUSSIONS HE PERSONALLY HAD WITH FONMIN THEN AND UP TO NOW THE FONMIN WAS UNEQUIVOCAL IN HIS INTENTION TO STALL AS LONG AS POSSIBLE.

8. ALL PUBLIC AND PRIVATE STATEMENTS BY PRIMIN AND FONMIN SINCE FORMATION OF GOVT HAVE EMPHASIZED THAT FIHSING LIMITS DISPUTE ISSUE HAD FIRST PRIORITY OVER IDF ISSUE. NO REVISION OF IDF AGREEMENT WOULD BE UNDERTAKEN UNTIL THE SATISFACTORY CONCLUSION OF THE FISHING LIMITS DISPUTE.

9. FONMIN'S REFERENCE TO WITHDRAWAL OF SOVIET TROOPS FROM CZECHOSLOVAKIA MAY REFLECT THINKING OF COMMUNIST MINISTER OF INDUSTRIES AND HEALTH, MAGNUS KJARTANSSON, WHO HAS BEEN ADAMANT THAT GOI CARRY OUT ITS COMMITMENT TO FORCE IDF OUT OF ICELAND. IN 1968 KJARTANSSON WAS EDITOR OF COMMUNIST- DOMINATED PEOPLE'S ALLIANCE DAILY THJODVILJINN. HE STRONGLY CRITICIZED SOVIET INTERFERENCE IN CZECHOSLOVAKIA AND HAS SINCE CITED THIS POSITION AS AN INDICATION THAT HE IS NOT UNDER DIRECT MOSCOW INFLUENCE. SUCH ARGUMENTATION MIGHT BE PERSUASIVE IN SWAYING THINKING OF PROGRESSIVE MINISTERS TOWARD PUSHING WITHDRAWAL OF IDF.

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10. FONMIN'S PROPOSED ACTION WILL ALSO COME AS A SHOCK TO OPPOSITION PARTIES WHO THINK THEY HAVE AN UNDERSTANDING WITH HIM TO STALL THE IDF ISSUE AND HAVE PLAYED ALONG WITH HIM IN KEEPING IT OUT OF THE PARLIAMENT DURING PRESENT SESSION.

11. THIS ACTION BY FONMIN MAY BE A LAST- DITCH EFFORT ON PART OF PROGRESSIVE PARTY LEADERSHIP TO KEEP THE COMMUNISTS FROM CAUSING THE EARLY COLLAPSE OF GOVT AND TO KEEP THEIR OWN PARTY TOGETHER. THIS ALSO MAY HAVE BEEN FORMULATED TO GET PROGRESSIVE PARTY OFF THE HOOK AND TO LEAVE DECISION OF IDF UP TO THE PARLIAMENT OR THE PUBLIC.

12. ACTION REQUESTED: I RECOMEND SECSTATE OR DEPUTY SECRETARY CALL IN AMBASSADOR KROYER MONDAY AND EXPRESS DANGER TO MBFR NEGOTIATIONS AND TO NATO IF GOI CARRIES OUT ITS INTENTION TO TRIGGER ARTLCLE VII AT THIS TIME. AGUSTSSON EXPRESSED SURPRISE WHEN I ARGUED THAT HIS ACTION COULD BE INTERPRETED AS PREJUDICIAL TO THE ALLIANCE AND THE MBFR. I ALSO RECOMMEND THAT I BE GIVEN A STATEMENT FROM SECSTATE TO CONVEY TO FONMIN ON TUDSDAY EXPRESSING STRONG CONCERN. DEPENDING ON AGUSTSOON' S REACTION IN TUESDAY' S MEETING DEPT MAY WANT TO CONSIDER SUGGESTING NATO SEC GEN ALSO EXPRESS CONCERN TO GOI PERMREP.

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*** Current Handling Restrictions *** STADIS, LIMDIS

*** Current Classification *** SECRET

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 07 APR 1973
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973REYKJA00372
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: RR
Errors: n/a
Film Number: n/a
From: REYKJAVIK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730436/aaaahvhu.tel
Line Count: 240
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: SECRET
Original Handling Restrictions: LIMDIS, STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: LIMDIS, STADIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 12 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12-Sep-2001 by martinml>; APPROVED <22 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 971205
Subject: ICELAND DEFENSE FORCE (IDF) RETENTION ISSUE
TAGS: MARR, IC
To: EUR
SECSTATE WASHDC
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005